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DEPT FOR EUR/CARC, EB/IPC  
PLS PASS TO USTR JENNIFER CHOE-GROVES  
PLS PASS TO USPTO JOELLEN URBAN

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SUBJECT: ARMENIA: COMMENTS FOR 2006 SPECIAL 301 REVIEW

REF: STATE 14937

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¶1. (SBU) Summary: Post recommends that Armenia remain off the Special 301 Watch List for 2006. Music and video piracy does exist in Armenia, but industry losses in the Armenian market are probably small. The government's decision to establish an Intellectual Property Rights (IPR) Enforcement Unit within the Organized Crime Department of the Armenian Police and recent action taken against suspected IPR violators are evidence of Armenia's commitment to protecting intellectual property rights. We continue to work with the GOAM to strengthen its ability to enforce existing IPR legislation and to better protect intellectual property rights. End summary.

¶2. (SBU) Armenia's legislation is TRIPS compliant, but enforcement remains weak. In January 2005, an IPR Enforcement Unit was created within the Organized Crime Department of the Armenian Police. On July 20, the unit conducted an enforcement action against three companies that control approximately seven percent of the market for pirated CDs, DVDs and cassette tapes. The police seized 50,000 CDs, DVD's, cassette and video tapes. While the company owners claim that they were victims of selective enforcement, this case marks the first large scale intervention against suspected IPR violators in the country. This case also raised the profile of the enforcement unit and awareness about the need to protect IPR. Increased public awareness is critical because there are no ex-officio prosecutions of IPR cases under Armenian law, meaning that an aggrieved party must file a complaint before any enforcement action is taken. A local NGO recently filed a new complaint with the IPR unit over illegally translated and reproduced DVDs suggesting that public awareness of the need for IPR enforcement is growing.

¶3. (SBU) Armenia's government is aware that proper IPR enforcement is important to the country's economic growth. The IT and telecommunications sectors are particularly valuable to the Armenian economy, accounting for over 40 percent of all foreign investment in 2005. Vigilant IPR protections are critical to attracting increased foreign investment in these areas. The Intellectual Property Agency of Armenia, an independent division which is responsible for patents and copyrights within the Ministry of Trade and Economic Development, recently upgraded its website so that the public can have free access to patent information through a searchable database. The website is located at [www.armpatent.org](http://www.armpatent.org).

¶4. (SBU) Post continues to work with the GOAM to improve IPR enforcement in Armenia. The USAID-sponsored Commercial Law and Economic Regulation Project (CLERP) helped the GOAM to produce an official IPR Enforcement Strategy Document in April 2005 and has been working closely with the government on proposed revisions to the Armenian copyright law. In June, July and August 2005, CLERP helped organize a series of seminars to raise public awareness of IPR issues. USAID also sponsored two delegates from the Armenian IPR Agency to participate in the 6th International Trademark Conference held in Spain in April 2005. In late August 2005, the USG sponsored an IPR enforcement training program for 23 police officers from around the country.

¶5. (SBU) Armenia continues to make progress fine-tuning its IPR related legislation and increasing its ability to take appropriate enforcement action. Political will to support proper IPR enforcement is growing, but there is a lack of enforcement capacity and resources. Given Armenia's commitment to protect IPR and the government's continued willingness to collaborate closely with the Embassy, USAID and other members of the international community, we recommend that that Armenia remain off the Special 301 Watch List.

EVANS